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DEPARTMENT OF THE NAVY JUSTIFICATION OF ESTIMATES FOR
FISCAL YEAR 1988/1989 (U) OFFICE OF THE COMPTROLLER
(NAVY) WASHINGTON DC JAN 87

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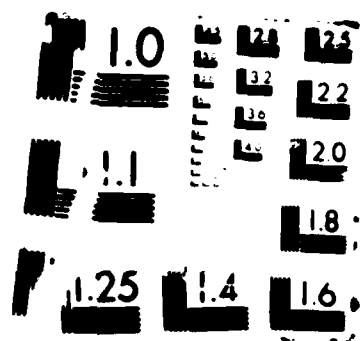
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**DEPARTMENT OF THE NAVY
JUSTIFICATION OF ESTIMATES
FOR FISCAL YEARS 1988 AND 1989**



AD-A181 973

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SUBMITTED TO CONGRESS JANUARY 1987

PROCUREMENT

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PROCUREMENT, MARINE CORPS

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Justification of Estimates for Fiscal Year 1988/1989

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Defense Secretary
PROCUREMENT, MARINE CORPS

Secretary
For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, military equipment, spare parts, and accessories therefore; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including purchase of not to exceed (sixty-four) 153 passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefore, and such lands, and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; (\$1,465,215,000) \$1,402,440,000, of which \$41,800,000 shall be available only for the Marine Corps Reserve, to remain available for obligation until September 30, (1989) 1990.

Further, for the foregoing purposes, including the purchase of 153 passenger motor vehicles for replacement only; \$1,646,475,000, of which \$27,700,000 shall be available only for the Marine Corps Reserve, to become available for obligation on October 1, 1988 and to remain available for obligation until September 30, 1991. (10 U.S.C. 5013, 7201; Department of Defense Appropriation Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(c); additional authorizing legislation to the proposed.)

Rep. 101, App. 1000 (page)

Procurement, Marine Corps
Program and Financing (in thousands of dollars) SUMMARY 05 Jan 87

Identification code	17-1109 0-1-051	Budget plan (amounts for PROCUREMENT actions programmed)					Obligations		
		1986 actual	1987 est.	1988 est.	1989 est.	1986 actual	1987 est.	1988 est.	1989 est.
Program by activities:									
Direct program:									
00 0101	Ammunition	479,407	575,949	410,885	403,587	485,919	575,487	408,550	403,733
00 0201	Weapons and combat vehicles	94,599	94,442	94,442	263,165	125,356	117,236	350,363	248,872
00 0301	Guided missiles and equipment	251,903	267,699	364,400	369,475	261,966	271,304	305,818	335,875
00 0401	Communications and electronics equipment	288,326	287,677	39,516	381,834	220,063	310,808	80,010	41,012
00 0501	Support vehicles	247,497	141,136	187,270	148,353	175,058	155,609	156,532	156,532
00 0601	Engineer and other equipment	140,767	136,489	187,270	148,353	175,058	155,609	156,532	156,532
00 0701	Spare and repair parts	39,898	24,659	29,692	51,082	25,543	35,286	28,957	47,057
00 9101	Total direct program	1,531,448	1,465,215	1,402,440	1,646,475	1,596,655	1,583,556	1,423,725	1,599,031
01 0101	Reimbursable program	7,840	3,400	3,502	3,607	861	18,417	3,502	3,607
10 0001	Total	1,539,288	1,468,615	1,405,942	1,650,082	1,597,516	1,581,973	1,426,727	1,602,638
Financing:									
Offsetting collections from:									
11 0001	Federal funds(-)	-7,068	-3,400	-3,502	-3,607	-7,381	-3,400	-3,502	-3,607
13 0001	Trust funds(-)	-768				-877			
14 0001	Recovery of prior year obligations	-3				-3			
17 0001	Unobligated balance of prior year budget plans					-25,807			
21 4002	Available to finance new budget plans	-47,717	-33,500			-688,709	-590,311	-476,953	-456,168
21 4003	Reprogramming from/to prior year budget plans	-66,397	7,000			-47,717	-33,500		
22 4001	Unobligated balance transferred to other accounts	50,379	26,500			50,379	7,000		
23 4001	Unobligated balance rescinded: Appropriation						26,500		
23 4002	Reduction pursuant to P.L. 99-177 in unob bal: App	35,567				35,567			
24 4002	Unobligated balance available, end of year:								
24 4003	Available to finance subsequent year budget plans	33,500				33,500	476,953	456,168	503,612
25 0001	Unobligated balance lapsing	21,068				21,068			
39 0001	Budget authority	1,557,848	1,465,215	1,402,440	1,646,475	1,557,848	1,465,215	1,402,440	1,646,475
Budget authority:									
40 0001	Appropriation	1,579,388	1,465,215	1,402,440	1,646,475	1,579,388	1,465,215	1,402,440	1,646,475
41 0001	Transferred to other accounts(-)	-21,540				-21,540			
43 0001	Appropriation (adjusted)	1,557,848	1,465,215	1,402,440	1,646,475	1,557,848	1,465,215	1,402,440	1,646,475
Relation of obligations to outlays:									
71 0001	Obligations incurred, net					1,589,255	1,578,571	1,423,225	1,599,031
72 4001	Obligations balance, start of year					2,997,357	2,815,191	2,721,372	2,614,697
74 4001	Obligations balance, end of year					-2,815,199	-2,721,371	-2,614,697	-2,730,028
77 0001	Adjustments in related accounts					7,407			
78 0001	Adjustments in unexpended accounts					-25,807			

Procurement, Marine Corps
 Program and financing (in thousands of dollars) Summary 05 Jan 87

Identification code 17-1109-0-1-051		1986 actual		1987 est	1988 est	1989 est
90 0001	Outlays					
		1,753,014	1,672,411	1,529,900	1,483,700	

05 Jan 87

Procurement Marine Corps
Object Classification (in thousands of dollars) Summary

Identification Code	17-1109 0-1-051	1986 actual	1987 est	1988 est	1989 est
Direct obligations:					
128 001 Supplies and materials		1,596,655	575,487	408,550	403,733
131 001 Equipment			988,188	1,074,875	1,195,748
198 001 Total Direct obligations		1,596,655	1,563,675	1,423,225	1,599,031
Reimbursable obligations:					
231 001 Equipment		861	18,417	3,502	3,807
298 001 Total Reimbursable obligations		861	18,417	3,502	3,807
999 901 Total obligations		1,597,516	1,582,092	1,426,727	1,602,638

Procurement, Marine Corps									
Program and Financing (in thousands of dollars) FISCAL YEAR 1984									
05 Jan 87									
Budget Plan (amounts for PROCUREMENT actions programmed)									
Identification code	17-1109-0-1-051	1986 actual	1987 est	1988 est	1989 est	1986 actual	1987 est	1988 est	1989 est
Program by activities:									
Direct program:									
00 0101	Acquisition					8 301			
00 0201	Weapons					27 905			
00 0301	Armored combat vehicles					3 741			
00 0401	Guided missiles and equipment					75 051			
00 0501	Communications and electronics equipment					27 331			
00 0601	Support vehicles					50 788			
00 0801	Engineer and other equipment								
00 9101	Total direct program					192 857			
01 0101	Reimbursable program					264			
10 0001	Total					192 921			
Financing									
17 0001	Recovery of prior year obligations								
21 4002	Unobligated balance available, start of year					10 362			
21 4007	For completion of prior year budget plans					219 227			
22 4001	Reprogramming from/to prior year budget plans	-36 668							
23 4002	Unobligated balance transferred to other accounts	5 000				5 000			
25 0001	Reduction pursuant to P.L. 99-177 in unob bal. Apr	10 600				10 600			
39 0001	Unobligated balance lapsing	21 068				21 068			
39 0001	Budget authority								

05 Jan 87

Procurement, Marine Corps
Program and Financing (in Thousands of dollars) FISCAL YEAR 1985

Identification code	17-1109-0-1-051	Budget Plan (amounts for PROCUREMENT activities programmed)				Obligations	
		1986 actual	1987 est.	1988 est.	1989 est.	1986 actual	1987 est.
Program by activities:							
Direct program:							
00 0101	Ammunition					4 078	5 190
00 0201	Weapons and combat vehicles					19 936	25 801
00 0301	Guided missiles and equipment					7 901	7 901
00 0401	Communications and electronics equipment					64 395	88 191
00 0501	Support vehicles					85 751	26 241
00 0601	Engineer and other equipment					77 445	42 714
00 9101	Total direct program					259 506	188 379
01 0101	Reimbursable program					97	7 677
10 0001	Total					259 603	196 016
Financing:							
Offsetting collections from:							
11 0001	Federal funds(-)					-312	
13 0001	Trust funds(-)					-109	
17 0001	Recovery of prior year obligations					-15 445	
21 4002	Unobligated balance available, start of year:						
21 4003	For completion of prior year budget plans					-469 482	-196 016
21 4004	Available to finance new budget plans					-47 717	-7 100
22 4001	Reprogramming from prior year budget plans						
22 4002	Unobligated balance transferred to other accounts					45 379	
23 4001	Reduction pursuant to P.L. 99-177 in unob bal. Apr						
23 4002	Unobligated balance available, end of year:					24 967	
24 4002	For completion of prior year budget plans						
24 4003	Available to finance subsequent year budget plans					196 016	
39 0001	Budget authority					7 100	

Procurement, Marine Corps									
Program and Financing (in thousands of dollars) FISCAL YEAR 1986									
05 Jan 87									
Identification code	17-1109-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)				Obligations			
		1986 actual	1987 est.	1988 est.	1989 est.	1986 actual	1987 est.	1988 est.	1989 est.
Program by activities:									
Direct program:									
00.0101	Ammunition	479,407				473,540	5,867		
00.0201	Weapons and combat vehicles	53,000				77,515	4,382		1,746
00.0301	Guided missiles and equipment	28,999				250,284	1,000		625
00.0401	Communications and electronics equipment	286,326				80,617	114,172		93,636
00.0501	Support vehicles	247,497				189,668	36,700		21,129
00.0601	Engineer and other equipment	140,767				47,325	56,720		36,722
00.0701	Spare and repair parts	39,899				25,543	14,156		
00.9101	Total direct program	1,531,448				1,144,492	233,197		153,856
01.0101	Reimbursable program	7,840				500	7,340		
10.0001	Total	1,539,288				1,144,992	240,437		153,856
Financing:									
Offsetting collections from:									
11.0001	Federal funds(-)	-7,069				-7,069			
13.0001	Trust funds(-)	-768				-768			
14.0001	Monies received from:	-3				-3			
21.4002	Unobligated balance available, start of year:								
21.4003	For completion of prior year budget plans								
22.4001	Available to finance new budget plans								
23.4001	Unobligated balance transferred to other accounts								
24.4002	Unobligated balance rescinded: Appropriation								
24.4003	For completion of prior year budget plans								
24.4003	Available to finance subsequent year budget plans								
39.0001	Budget authority	26,400				394,295	153,856		
40.0001	Budget authority:	1,557,848				1,557,848			
41.0001	Appropriation	1,579,388				1,579,388			
42.0001	Transferred to other accounts(-)	-21,540				-21,540			
43.0001	Appropriation (adjusted)	1,557,848				1,557,848			

05 Jan 87

Procurement, Marine Corps

Program and Financing (in thousands of dollars) FISCAL YEAR 1987

Budget Plan (Amounts for PROCUREMENT actions programmed)

Obligations

Identification code	17-1109-0-1-051	1986 actual	1987 est.	1988 est.	1989 est.	1986 actual	1987 est.	1988 est.	1989 est.
Program by activities:									
Direct activities:									
00.0101 Weapons and combat vehicles									
00.0201		575,949				564,410		11,519	
00.0301		94,598				87,011		4,730	
00.0401		224,698				220,204		2,247	
00.0501		267,677				108,514		76,569	
00.0601		141,136				94,541		32,405	
00.0701		136,499				46,410		45,045	
00.0801		24,659				20,110		3,719	
00.0901									
00.1001		1,465,215				1,142,110		176,234	
01.0101		3,400				3,400			
10.0001		1,468,615				1,145,520		176,234	
Financing:									
Offsetting collections from:									
Federal funds(-):									
11.0001		-3,400				-3,400		-323,095	
21.4002								146,861	
24.4002									
40.0001		1,465,215				1,465,215			

05 Jan 87

Program and Financing (in thousands of dollars) fiscal year 1988

Program and Financing (in thousands of dollars) fiscal year 1988

Identification code	17-1109 0-1 051	Budget plan (amounts for commitment actions programmed)				Obligations			
		1986 actual	1987 est	1988 est	1989 est	1986 actual	1987 est	1988 est	1989 est
Program by activities									
Direct program:									
00 0101	Ammunition			410 885			397 031	8 218	
00 0201	Weapons and combat vehicles			94 442			86 887	4 272	
00 0301	Guided missiles and equipment			364 400			348 045	4 544	
00 0401	Communications and electronics equipment			279 215			135 614	78 202	
00 0501	Support vehicles			187 710			76 476	7 413	
00 0601	Engine and other equipment			29 692			25 238	3 854	
00 0701	Spares and repair parts								
00 0901	Total direct program			1 402 440			1 083 133	168 713	
Reimbursable program									
01 0101				3 502			3 502		
10 0001	Total			1 405 942			1 086 635	168 713	
Financing:									
11 0001	Offsetting collections from: Federal unit(s)								
21 4002	Unobligated balance available start of year			3 502			3 502		
21 4002	Unobligated balance available end of year								308 307
24 4002	Unobligated balance available end of year						308 307		140 594
40 0001	Budget authority (appropriation)			1 402 440			1 402 440		

Line Item Code	1984 est	1985 est	1986 est	1987 est	1988 est	1989 est
Program of Activities						
Direct Program						
00 010: Ammunition						
30 020: Weapons and combat vehicles		403,587				395,515
30 030: Guided missiles and equipment		284,166				282,182
30 040: Communications and electronic equipment		184,474				365,182
30 050: Support vehicles		184,818				171,386
00 060: Engineer and other equipment		184,499				19,429
00 070: Spare and repair parts		44,183				49,528
00 080: Total direct program		1,186,727				43,403
01 001: Reimbursable program		646,475				1,283,457
02 000: Total		1,833,202				3,607
Financing						
Offsetting to actions from						
03 0001: Federal funds						1,287,064
24 4007: Unobligated balance available and of year for completion of prior year budget plan						3,607
40 0001: Budget authority (Appropriations)		646,475				363,018
						1,646,475

Budget Activity 1: Ammunition

(In Thousands of Dollars)
FY 1989 Estimate \$403,587
FY 1988 Estimate \$410,885
FY 1987 Estimate \$575,949
FY 1986 Actual \$479,407

Purpose and Scope of Work

This activity provides for the Marine Corps' annual training needs and the acquisition of war reserve stocks for use in the event of mobilization. Munitions included in the request include Tank and Artillery munitions, Mortar and Small Arms Ammunition, Mines, Fuzes, Demolitions and pyrotechnic devices, and other ammunition items.

Justification of funds

The Fiscal Year 1988 program is intended to support Marine Corps worldwide training consumption, procurement of modern hardware and build up of war reserve stocks. Funds requested enhance Marine Corps readiness and combat sustainability and continue progress toward achievement of authorized acquisition objectives. The Fiscal Year 1988 budget breaks down into the following major categories: Small Arms Ammo, all types \$32.7 million; Machine Gun Ammo, all types \$31.5 million; Mortar Ammo, all types \$122.8 million; Grenades, all types \$25.4 million; Rockets, all types \$26.4 million; Training Ammo, all types \$40.6 million; 155mm Ammo, all types \$68.7 million; Anti-Armor Ammo, all types \$36.8 million; Fuzes, all types \$5.2 million; Ammo Modernization, \$14.8 million; and items costing less than \$2,000,000, \$5.9 million. The total Fiscal Year 1988 program is \$410.9 million.

The Fiscal Year 1989 program continues the procurement of Marine Corps ammunition through the Fiscal Year 1989 request. This program identifies a funding requirement of \$403.6 million for the following major categories: Linear Charges, all types \$2.4 million; Small Arms Ammo, all types \$23.9 million; Machine Gun Ammo, all types \$34.1 million; Mortar Ammo, all types \$79.2 million; Grenades, all types \$9.0 million; Rockets, all types \$41.2 million; Training Ammo, all types \$62.9 million; 155mm Ammo, all types \$56.2 million; Anti-Armor Ammo, all types \$64.8 million; Fuzes, all types \$7.2 million; Ammo Modernization \$19.7 million; and items costing less than \$2,000,000, \$3.0 million.

Budget Activity 2: Weapons and Tracked Combat Vehicles

(In Thousands of Dollars)
FY 1989 Estimate \$263,165
FY 1988 Estimate \$ 94,442
FY 1987 Estimate \$ 94,599
FY 1986 Actual \$ 83,643

Purpose and scope of Work

This activity supports procurement of armored and amphibious vehicles, artillery, and small arms. It also supports acquisition of weapons and tracked combat vehicle associated equipment and modification kits.

Justification of funds

The FY 1988/FY 1989 request for Weapons and Tracked Combat Vehicles totals \$94.4 million and \$263.2 million, respectively. Each of the major items contained in this FY 1988/FY 1989 request is summarized below:

AAV7A1 PFP - \$21.7 million in FY 1988 and \$47.8 million in FY 1989 is requested to provide the AAV7A1 family of vehicles more reliable and servicable componentry and to enhance the vehicles operational capability.

Mod Kits, Tracked Vehicles - \$.5 million in FY 1988 is requested for the procurement of modification kits for the product improvement of armor tracked vehicle systems.

M1A1 Tank - \$1.1 million in FY 1988 is requested for Unit Test Sets. In FY 1989, \$159.3 million is requested for the procurement of 66 M1A1 Tanks. The purpose of this program is for the procurement of the M1A1, 120mm, Main Battle Tank to replace the M60A1 tank.

M1A1 Tank Advance Procurement - \$24.4 million in FY 1988 and \$37.2 million in FY 1989 is requested for certain essential items of hardware and government furnished equipment having extended leadtimes to ensure timely delivery in the M1A1 production process.

M1A1 Tank Trainer - \$8.9 million in FY 1988 is requested for the procurement of a system trainer designed to train Gunners and Tank Commanders.

Items Less Than \$2,000,000 (Tracked Vehicles) - \$.1 million in FY 1988 and \$.3 million in FY 1989 is requested for Tool Sets for the M88A1 Recovery Vehicle and Other Ordnance Vehicle Support Equipment.

Position Azimuth Determination System (PADS) - \$9.6 million in FY 1988 is requested for 34 systems to improve field artillery fire control.

9mm Personal Defense Weapon - In FY 1988, \$5.2 million is requested for 22,182 9mm handguns for replacement of the current service pistol. In FY 1989, \$3.2 million is requested for 13,589 9mm handguns.

M249 Machine Gun, Light, Squad Auto (SAW) - In FY 1988, \$3.0 million is requested for procurement of 1,039 light machine guns. In FY 1989, \$1.8 million is requested for the procurement of 572 light machine guns.

M16A2 Rifle - In FY 1988, \$8.9 million is requested to continue the replacement of 16,652 existing rifles which include improvements in reliability and capability. In FY 1989, \$5.1 million is requested for the replacement of 9,427 existing rifles.

M4 Carbine - \$1.0 million in FY 1988 is requested for the procurement of 1500 carbines. In FY 1989, \$3.0 million is requested for the procurement of 5,000 carbines. This weapon allows for the delivery of accurate final protective fire and makes possible effective patrolling, thereby contributing significantly to the unit's survivability/mission accomplishment.

MK-19 Machine Gun, 40mm - In FY 1988, \$3.6 million is requested for the acquisition of 415 40mm grenade machine guns. In FY 1989, \$4.7 million is requested for the acquisition of 497 40mm grenade machine guns.

Mortar, Med, Extended Range - \$5.3 million in FY 1988 is requested to procure 264 81mm mortars and complete the program.

Items Less Than \$2,000,000 (Artillery and Other) - \$1.1 million in FY 1988 and \$.7 million in FY 1989 is requested for rifle team equipment, artillery sighting and measuring devices, explosive ordnance disposal and flight line security equipment.

Budget Activity 3: Guided Missiles and Equipment

(In Thousands of Dollars)
FY 1989 Estimate \$369,475
FY 1988 Estimate \$364,400
FY 1987 Estimate \$224,696
FY 1986 Actual \$251,909

Purpose and Scope of Work

This activity supports procurement of surface-to-air guided missiles, surface-to-surface anti-tank guided missiles, and related ground support equipment. Funds requested are required to support continuing efforts to enhance the air defense and anti-tank/assault capabilities of Marine Corps ground forces.

Justification of funds

The major items contained in the FY 1988/FY 1989 request total \$364.4 million and \$369.5 million respectively. Each of the major items contained in this FY 1988/FY 1989 request is summarized below:

HAWK Missile System - In FY 1988, \$161.4 million is requested for 525 HAWK missiles and related support equipment. In FY 1989, \$152.2 million is requested for 526 HAWK missiles and related support equipment. This missile system is to be procured under a multiyear contract providing a net savings of 13 percent.

HAWK Modifications - \$30.1 million in FY 1988 and \$4.1 million in FY 1989 is requested to support product improvements which significantly enhance reliability and maintainability, improve countermeasure capability, update test and field maintenance equipment.

STINGER Missile System - In FY 1988, \$137.4 million is requested for 3067 STINGER-POST missiles and support equipment. In FY 1989, \$173.1 million is requested for 3115 STINGER - POST missiles and support equipment. This missile system is to be procured under a multiyear contract with a net savings of 12 percent.

DRAGON PIP - \$7.9 million in FY 1988 and \$9.7 million in FY 1989 is requested for product improvement of the DRAGON in order to extend its useful service life until a follow-on system can be fielded in the 1990's. The Product Improvement is a two phased program. Phase I provides a missile warhead retrofit to our current inventory. Phase II provides for the procurement of an improved warhead as well as the the procurement of a new tracker which combines the existing day and night trackers into a single unit day/night tracker.

TOW-2 Missile System - In FY 1988, \$26.9 million is requested for 2680 TOW-2 heavy Assault/Anti-Tank weapon system missiles. In FY 1989, \$9.7 million is requested for 2585 TOW-2 heavy Assault/Anti-Tank weapon system missiles. This missile system is to be procured under a multiyear contract with a net savings of 12 percent.

Modification Kits - \$.8 million in FY 1988 and \$1.9 million in FY 1989 is requested for safety related and optical improvement modification kits for TOW-2 missiles.

Budget Activity 4: Communication and Electronics Equipment

(In Thousands of Dollars)
FY 1989 Estimate \$381,834
FY 1988 Estimate \$275,735
FY 1987 Estimate \$267,677
FY 1986 Actual \$288,326

Purpose and scope of work

This activity supports acquisition of communications and electronic systems essential to the conduct of modern amphibious warfare. Programs involved include tactical radios and equipment, telephone and teletype equipment, command and control systems, radars and radar equipment, intelligence/communications equipment, repair and test equipment, night vision devices and modification kits.

Justification of funds

Funds requested for Fiscal Year 1988 total \$275.7 million and are vital for modernization and improvement of the Marine Corps' communications/electronics posture to insure combat units are afforded the latest electronics advantages and protection.

This request includes the following for telecommunications equipment: \$3.2 million for tactical radios; \$64.5 million for unit level circuit switch and life cycle support; \$17.3 million for digital communications terminal; \$9.9 million for tactical communications center equipment; \$2.4 million for the advanced narrowband digital voice terminal/tactical terminal (ANDVT/TACTERM); \$15.8 million for test, maintenance and calibration equipment, mod kits and items costing less than \$2,000,000.

For non-telecommunications equipment, this request includes: \$71.6 million for tactical air operations modules; \$5.7 million for improved direct air support center; \$16.7 million for night vision equipment; \$41.0 million for automatic data processing equipment; \$4.4 million for intelligence support equipment; and \$23.0 million for test, analysis, maintenance and calibration equipment, mod kits and items costing less than \$2,000,000.

The Fiscal Year 1989 request totals \$381.8 million and includes the following telecommunications equipment: \$.4 million for vehicle mounted radios; \$74.0 million for unit level circuit switch and life cycle support; \$24.2 million for digital communications terminals; \$10.2 million for tactical communications center equipment; \$2.7 million for ANDWT/TACTEM; \$6.6 million for tactical warfare simulator evaluation and analyst system (TWSEAS); and \$34.3 million for test, maintenance and calibration equipment, mod kits and items costing less than \$2,000,000.

The Fiscal Year 1989 request for non-telecommunications equipment includes the following: \$31.6 million for position location reporting system; \$40.0 million for MIFASS; \$65.7 million for tactical air operations modules; \$8.2 million for missile decoys; \$6.8 million for electronic intelligence support system; \$16.4 million for night vision equipment; \$34.9 million for automatic data processing equipment; \$3.6 million for computer aided mission planning system; \$3.8 million for tactical receiver equipment; and \$18.3 million for test, analysis, maintenance and calibration equipment, mod kits and items costing less than \$2,000,000.

Budget Activity 5: Support Vehicles

(In Thousands of Dollars)
FY 1989 Estimate \$ 28,999
FY 1988 Estimate \$ 39,516
FY 1987 Estimate \$141,136
FY 1986 Actual \$247,497

Purpose and Scope of Work

This activity supports procurement of commercial passenger and cargo vehicles required to support Marine Corps facilities operations and tactical vehicles required by deployable operational and support forces. Included in the category of commercial passenger and cargo vehicles are: sedans, station wagons, and buses; general and special purpose heavy and light trucks; firefighting, refuse collection, and tanker trucks; and various types of trailers. Tactical vehicles procured under this activity consists of military designed prime movers and general purpose vehicles equipped for support of combat operations.

Justification of funds

The Fiscal Year 1988 request for support vehicles totals \$39.5 million for the following major areas: \$12.1 million for 145 commercial passenger/cargo vehicles; \$2.9 million for 136 High Mobility Multipurpose Wheeled Vehicles (HMMWV); \$17.7 million for 359 Logistics Vehicle Systems (LVS); \$2.9 million for all types of trailers; \$3.2 million for modification kits; and \$.9 million for essential items costing less than \$2,000,000.

Funds requested in Fiscal Year 1989 total \$29.0 million and consists of; \$15.0 million for 150 commercial passenger/cargo vehicles; \$4.1 million for the logistics vehicle system (LVS); \$2.4 million for all types of trailers; \$.4 million for lube and service units; and \$7.2 million for modification kits.

Budget Activity 6: Engineer and Other Equipment

(In Thousands of Dollars)
 FY 1989 Estimate \$148,353
 FY 1988 Estimate \$187,770
 FY 1987 Estimate \$136,499
 FY 1986 Actual \$140,767

Purpose and scope of work

This activity provides for acquisition of combat and service support requirements for earth-moving construction, material handling equipment, power generating and environmental control equipment, fuel dispensing systems, special training devices, and equipment to support Marine Corps facilities.

Justification of funds

Funds requested for Fiscal Year 1988 total \$187.8 million and are identified for the following programs: \$46.6 million for cranes (increase due to antiquated equipment and ISO containerization); \$28.8 million for tractors; \$.9 million for survey equipment; \$3.8 million for garrison mobile engineer equipment; \$27.8 million for forklifts (this increase is due to antiquated equipment and ISO containerization); \$4.4 million for field wiring harness; \$10.6 million for fuel, water, pump, and storage units; \$1.3 million for assorted power equipment; \$5.6 million for wet gap bridge systems; \$2.3 million for material handling equipment; \$1.0 million for automated material handling equipment; \$1.4 million for audiovisual equipment; \$9.9 million for special training devices; \$3.4 million for lightweight decontamination system; \$6.8 million for command support equipment; \$2.8 million for environmental control equipment; \$3.2 million for field laundry units; \$2.3 million for bath shower units; \$3.0 million for containers; \$.3 million for HMC support equipment; \$3.4 million for headquarters support/physical security equipment; \$8.1 million for container handlers; \$4.2 million for fuel systems; \$.9 million for a chemical alarm system; and \$4.9 million for essential minor programs costing less than \$2,000,000.

Funds requested for Fiscal Year 1989 total \$148.4 million for the following programs: \$3.0 million for mine laying equipment; \$12.9 million for cranes; \$11.7 million for tractors; \$6.7 million for garrison mobile engineer equipment; \$2.8 million for fuel, water, pump, and storage units; \$1.1 million for assorted power equipment; \$.9 million for automated material handling equipment; \$2.2 million for material handling equipment; \$27.8 million for forklifts; \$1.4 million for audiovisual equipment; \$9.5 million for special training devices; \$1.4 million for chemical alarm systems; \$.2 million for chemical protection equipment; \$13.0 million for command support equipment; \$.4 million for HMC items; \$3.6 million for light weight decontamination systems; \$2.7 million for environmental control equipment; \$2.5 million for bath shower units; \$14.4 million for shelters; \$15.0 million for containers; \$2.0 million for headquarters support/physical security equipment; \$2.9 million for a telephone system; \$1.6 million for field support equipment; \$4.9 million for survey equipment; and \$3.6 million for essential minor programs costing less than \$2,000,000.

Budget Activity 7: Spares and Repair Parts

(In Thousands of Dollars)
FY 1989 Estimate \$51,062
FY 1988 Estimate \$29,692
FY 1987 Estimate \$24,659
FY 1986 Actual \$39,899

Purpose and scope of work

These funds are required for procurement of depot reparable spares (replenishment spares) and repair parts essential for the continued support of end items, and for an initial allowance (initial spares) of peculiar depot spares and repair parts to support new equipment/systems being introduced into the Marine Corps.

Justification of funds

The Fiscal Year 1988 program for initial and replenishment spare parts consists of \$18.4 million for initial spares and \$11.3 million for replenishment spares.

The Fiscal Year 1989 program consists of \$28.4 million for initial spares and \$22.7 million for replenishment spares.

COMPARISON OF 1986 PROGRAM REQUIREMENTS AS REFLECTED IN FY 1987 BUDGET
WITH FY 1986 PROGRAM REQUIREMENTS AS SHOWN IN FY 1988 BUDGET

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

	Total Program Requirements Per 1987 Budget	Total Program Requirements Per 1988 Budget	Increase (+) or Decrease (-)
Ammunition	518,102	479,407	-38,695
Weapons and Combat Vehicles	91,624	83,643	-7,981
Guided Missiles and Equipment	259,857	251,909	-7,948
Communications and Electronics Equipment	287,724	288,326	+602
Support Vehicles	277,002	247,497	-29,505
Engineer and Other Equipment	163,324	140,767	-22,557
Spares and Repair Parts	63,133	39,899	-23,234
Total Fiscal Year Program	1,660,766	1,531,448	-129,318

EXPLANATION BY BUDGET ACTIVITY

Ammunition - (\$-38.7 million)

The only significant change in this activity was for 155MM ammunition related to price changes (\$11.1 million), reductions for Gramm/Rudman/Hollings action (\$14.7 million) and requirements changes (\$12.9 million).

Weapons and Combat Vehicles - (\$-8.0 million)

The decrease includes Gramm/Rudman/Hollings reductions, including \$1.5 million for M198 Howitzer, \$.8 million for the M16 Rifle and \$.5 million for Armored Vehicle Launched Bridge, and a \$4.4 million rescission for Battery Computer System directed by Congress and other minor reductions.

Guided Missiles and Equipment - (\$-7.9 million)

The reduction is related to Gramm/Rudman/Hollings reductions for the following programs: Stinger (\$3.4 million); TOW (\$2.2 million); and HAWK (\$2.3 million).

Communications and Electronics Equipment - (\$+.6 million)

Minor changes which net to an increase of \$.6 million occurred in this activity.

Support Vehicles - (\$-29.5 million)

The reduction is primarily related to the 5 ton truck program because of Gramm/Rudman/Hollings action (\$2.3 million); Congressional rescission of prior balances directed by FY 1987 Appropriation Act (\$11.0 million); and reduction of requirements for new vehicles (\$16.1 million).

Engineer and Other Equipment - (\$-22.6 million)

The reduction is related to Shelters (\$9.0 million) and containers (\$6.1 million) for reprogramming sources and Gramm/Rudman/Hollings action; and reductions for 22 additional programs for G/R/H (\$7.5 million).

Spares and Repair Parts - (\$-23.2 million)

This reduction is related to Gramm/Rudman/Hollings action and utilization of spares as a reprogramming source for the Technical Control and Analysis Center (TCAC) program.

COMPARISON OF 1986 FINANCING AS REFLECTED IN FY 1987 BUDGET
WITH FY 1986 FINANCING AS SHOWN IN FY 1988 BUDGET

(In Thousands of Dollars)

	Financing Per FY 1987 Budget	Financing Per FY 1988 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)	1,664,166	1,539,288	-124,878
Program Requirements (Service Account)	1,660,766	1,531,448	-129,318
Program Requirements (Reimbursable)	3,400	7,840	+4,440
<u>Less:</u>			
Anticipated reimbursements	-3,400	-7,840	Increase in reimbursable orders during the year
Unobligated balance available to finance new budget plans	-47,717	-47,717	Congressional Rescission
Reprogramming from/to prior year budget plans		-66,397	Reprogrammed from prior years for G/R/H/ action (33,229) FY85 rescission (7,100) FY84 to OPN (5,000) and FY84 program lapse (21,068)
<u>Add:</u>			
Unobligated balance transferred to other accounts	47,717	50,379	Transfers to other accounts
Reduction pursuant to P.L. 99-177 in unobligated balance		35,567	Reductions to unobligated balances for G/R/H action

Unobligated balance available to finance subsequent plans	33,500	Unobligated balances to be obligated in subsequent year related to FY85/86 rescission (26,500) in FY87 and FY86 DD 1415 to Nicaraguan Freedom Fighters (7,000)
Unobligated balance lapsing	21,068	Lapsed balance end FY 1984
Appropriation (adjusted)	<u>1,660,766</u>	<u>1,557,848</u>

EXPLANATION OF CHANGES

The Fiscal Year 1986 program has decreased by \$129,318 thousands by the following actions: Reprogramming to the Military Personnel, Marine Corps Appropriation (\$21,540 thousand) to fund cost increases in pay and allowances of officers and enlisted personnel and subsistence of enlisted personnel; reprogramming (\$7,000 thousand) to support the Nicaraguan Democratic Resistance Freedom Fighters; Gramm/Rudman/Hollings action (\$81,378 thousand) and Congressional rescission of prior balances during review of the FY 1987 request (\$19,400 thousand).

COMPARISON OF 1987 PROGRAM REQUIREMENTS AS REFLECTED IN FY 1987 BUDGET
WITH FY 1987 PROGRAM REQUIREMENTS AS SHOWN IN FY 1988 BUDGET

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

	Total Program Requirements Per 1987 Budget	Total Program Requirements Per 1988 Budget	Increase (+) or Decrease (-)
Ammunition	608,323	575,949	-32,374
Weapons and Combat Vehicles	97,751	94,599	-3,152
Guided Missiles and Equipment	243,193	224,696	-18,497
Communications and Electronics Equipment	278,861	267,677	-11,184
Support Vehicles	146,069	141,136	-4,933
Engineer and Other Equipment	166,129	136,499	-29,630
Spares and Repair Parts	24,674	24,659	-15
Total Fiscal Year Program	1,565,000	1,465,215	-99,785

EXPLANATION BY BUDGET ACTIVITY

Ammunition - (\$-32.4 million)

The net decrease to ammunition is related to add-ons of a \$105 million general ammunition increase and \$14.7 million for 8 inch ammunition offset by reductions to 155MM rounds (\$113.4 million) and mortars (\$38.7 million).

Weapon and Combat Vehicles - (\$-3.2 million)

The decrease is related to Congressional action. Minor reductions for pricing were made to the 9MM Handgun (\$-.9 million), MK-19 Machine Gun (\$-.9 million), Squad Auto Weapon (\$-.7 million), and Position Azimuth System (\$-.7 million)

Guided Missiles and Equipment - (\$-18.5 million)

The decrease is related to Congressional reductions of \$10.3 million for the HAWK program, \$1.1 million for the HAWK modification program and \$6.8 million for the TOW program.

Communications and Electronics Equipment - (\$-11.2 million)

The decrease is related to Congressional reductions of \$7.6 million for the digital comm terminal, \$1.5 million for vehicle mounted radios, \$1.1 million for maintenance complexes, and other minor items for \$1.0 million.

Support Vehicles - (\$-4.9 million)

The decrease is due to Congressional reductions of \$3.0 million for commercial passenger and cargo vehicles and \$1.9 million for the logistics vehicle system.

Engineer and Other Equipment - (\$-29.6 million)

The decrease is related primarily to congressional reductions of \$15.2 million for containers, \$6.5 million for heavy cranes, \$4.2 million for the reverse osmosis water unit, \$2.0 for shelters, \$1.3 million for sanitary kitchens, and \$.5 million for the field wiring harness.

Spares and Repairs Parts - no significant changes occurred in this activity.

COMPARISON OF 1987 FINANCING AS REFLECTED IN FY 1987 BUDGET
WITH FY 1987 FINANCING AS SHOWN IN FY 1988 BUDGET

(In Thousands of Dollars)

	Financing Per FY 1987 Budget	Financing Per FY 1988 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)	1,568,400	1,468,615	-99,785
Program Requirements (Service Account)	1,565,000	1,465,215	-99,785
Program Requirements (Reimbursable)	3,400	3,400	-
<u>Less:</u>			
Anticipated reimbursements	-3,400	-3,400	
Unobligated balance available to finance new budget plans		-33,500	
			Unobligated balances related to FY85/86 rescission (26,500) in FY87 and DD 1415 to Nicaraguan Free- dom Fighters (7,000)
<u>Add:</u>			
Unobligated balance transferred to other accounts		7,000	
Unobligated balance rescinded		26,500	
Appropriation (adjusted)	1,565,000	1,465,215	
			Transferred to other accounts (DD 1415 for Nicaragua) Congressional rescis- sion

